

## Message Text

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PAGE 01 ABU DH 00321 240720Z

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ACTION NEA-05

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FM AMEMBASSY ABU DHABI

TO USDOC WASHDC

INFO AMEMBASSY BEIRUT

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY TEHRAN

SECSTATE WASHDC 1399

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BEIRUT FOR RTDO AND RCAA

EO 11652: NA (DECON MARCH 20, 1975)

TAGS: BEXP, TQ, US

SUBJ: NEW AIRPORTS FOR ABU DHABI

REF: ABU DHABI 0085

SUMMARY: IN MEETING WITH UAE DEPUTY PRIM MIN SHAIKH KHALIFA, CHARGE RE-EMPHASIZED STRONG US INTEREST IN ASSISTING ABU DHABI IN ITS PROPOSED MILITARY CIVIL AIRPORT SCHEMES. RE MILITARY FACILITY, NOTED THAT TWO WELL-QUALIFIED US FIRMS, BECHTEL AND TAMS WERE BIDDING ON CONSULTANCY PHASE AND USG'S UNSURPASSED EXPERIENCE AND TECHNOLOGY IN THIS FIELD SHOULD ENABLE US FIRMS TO BE HIGHLY COMPETITIVE IN ALL PHASES OF PROJECT. UNEXPECTED PRESENCE OF UAE MIN HABBROUSH PREVENTED CHARGE FROM VOICING EMB'S DISPLEASURE OVER ABU DHABI GOVT'S REPORTED DECISION TO PERMIT FRENCH FIRM TO BID ON CONSULTANCY CONTRACT FOR MILITARY AIRPORT AFTER TENDER DEADLINE, BUT PLAN TO MAKE THIS POINT

LATER. KHALIFA'S REMARKS AND OTHER EVIDENCE SUGGEST THAT MILITARY PROJECT MAY BE TAKING BACK-SEAT TO PROPOSED NEW INTERNATIONAL CIVIL  
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PAGE 02 ABU DH 00321 240720Z

AIRPORT IN ABU DHABI. ALTHOUGH FINAL CONSULTANCY STUDY FOR CIVIL

PROJECT MAY NOT BE COMPLETED FOR ONE YEAR, SHAIKH KHALIFA EXPRESSED AVID INTEREST IN HAVING PRESTIGIOUS AMERICAN CONSTRUCTION AND EQUIPMENT FIRMS BECOME INVOLVED IN PROJECT. ACTION REQUESTED: USDOC AND OTHER ADDRESSEES ALERT QUALIFIED AIRPORT CONSTRUCTION AND EQUIPMENT FIRMS TO THIS FUTURE OPPORTUNITY. END SUMMARY.

1. DURING CALL MARCH 21 ON UAE DEPUTY PRIMIN SHAIKH KHALIFA BIN ZAYID, SUBJECT OF PROPOSED NEW CIVIL AIRPORT FOR ABU DHABI AS WELL AS SEPARATE MILITARY AIRFIELD COMPLEX WAS DISCUSSED. RE LATTER, CHARGE MADE FURTHER STRONG PITCH FOR SELECTION OF AMERICAN CONSULTING FIRM. TOLD KHALIFA THAT EMB AWARE BOTH BECHTEL WHICH HAS SUBMITTED BID IN OWN NAME, AND ANOTHER QUALIFIED US FIRM, TIBBITTS-ABBETT-MCCARTHY-STRATTON WHICH TENDERING IN PARTNERSHIP WITH LEBANESE FIRM, DAR AL-HANDASAH, REMAIN VERY INTERESTED IN CONSULTANCY PHASE OF THIS PROJECT. EMPHASIZED TO KHALIFA THAT US STOOD IN UNSURPASSED COMPETITIVE POSITION AS REGARDS EXPERIENCE AND TECHNOLOGY IN DESIGNING, CONSTRUCTING AND EQUIPPING MILITARY AIRPORTS. KHALIFA LISTENED ATTENTIVELY TO PRESENTATION, BUT GAVE NO INDICATION WHEN DECISION MIGHT BE FORTHCOMING.

2. HAD INTENDED DURING MTG RAISE WITH KHALIFA EMB'S UNHAPPINESS OVER WHAT AMOUNTS TO UNETHICAL PRACTICE ON PART OF ABU DHABI GOVT OF REPORTEDLY PERMITTING PARIS AIRPORT AUTHORITY, WHICH CONSULTANT FOR CIVIL AIRPORT EXPANSION, TO SUBMIT QUOTATION ON MILITARY FACILITY SEVERAL WEEKS AFTER TENDERING PERIOD HAD BEEN CLOSED, AND HAVING ADDED ADVANTAGE OF KNOWING BID PRICES OF COMPETITOR FIRMS. WAS PREPARED TELL KHALIFA THAT WE HAVE COME TO EXPECT SUCH FOUL PLAY ON PART OF FRENCH BUSINESS/GOVTKWHEN IT COMES TO INTL TENDERS, BUT FRANKLY SURPRISED UAE/AD WOULD

ALLOW ITS INTERNATIONAL COMMERCIAL REPUTATION TO BE TARNISHED BY BREAK-  
ING THE NORMALLY ACCEPTED GAME RULES. HOWEVER, DUE UNEXPECTED PRESENCE

AT MTG OF UAE MIN STATE HABBROUSH WHO REPORTEDLY SOMETIMES FAVORS FRENCH FIRMS, DECIDED IT WOULD BE TACTICALLY BETTER TO REFRAIN FROM VOICING OUR DISPLEASURE OVER SUCH UNFAIR COMPETITIVE PRACTICES UNTIL I HAD CHANCE TO SEE SHAIKH KHALIFA PRIVATELY.

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PAGE 03 ABU DH 00321 240720Z

3. RE CIVIL AIRPORT EXPANSION, KHALIFA CONFIRMED THAT GOVT HAD DECIDED TO SCRAP PRESENT FACILITY ON ABU DHABI ISLAND AND BUILD ENTIRELY NEW INTL AIRPORT ON MAINLAND NEAR PRESENT INTERSECTION OF AL-AIN/DUBAI ROADS. PARIS AIRPORT AUTHORITY IS NOW PREPARING COMBINATION FEASIBILITY/CONSULTANCY STUDY TO INCLUDE SPECIFICATIONS, DRAFTING OF TENDER DOCS, ETC.

4. BOTH SHAIKH KHALIFA AND MIN HABBROUSH EXPRESSED AVID INTEREST

IN HAVING PRESTIGIOUS AMERICAN COMPANIES CONSTRUCT AND EQUIP NEW AIRPORT. UAE PRESIDENT SHAIKH ZAYID, THEY INSISTED, HAS INSTRUCTED HE WANTS THE BEST AIR TERMINAL IN THE GULF. ALTHOUGH FINAL STUDY OF CONSULTANTS MAY BE SEVERAL MONTHS OR EVEN ONE YEAR AWAY, I TOLD SHAIKH KHALIFA THAT US HAD MANY HIGHLY EXPERIENCED AND QUALIFIED FIRMS IN FIELD OF AIRPORT CONSTRUCTION AND EQUIPMENT, AND EMB WOULD ALERT THEM IMMEDIATELY TO THIS FORTHCOMING MAJOR PROJECT. THANKED KHALIFA FOR THIS ADVANCE INFO, SINCE IT ENABLED OUR POSTS ABROAD AND USDOC TO DO MORE EFFICIENT JOB OF PUBLICIZING SUCH A MAJOR PROJECT OPPORTUNITY WITHIN US BUSINESS COMMUNITY.

5. COMMENT: SENSED FROM KHALIFA'S REMARKS WHICH TEND TO BE SUBSTANTIATED BY OTHER SOURCES, THAT MILITARY AIRPORT

SCHEME MAY HAVE LOST SOME OF ITS URGENCY TO CIVIL FACILITY. ALSO BECAUSE OF AIR TRAFFIC CONTROL PROBLEM ARISING FROM PROXIMITY OF PROPOSED TWO NEW AIRPORTS, EMB HAS LEARNED THAT ABU DHABI DEFENSE FORCE (ADDF) HAS BEEN INSTRUCTED RECOMMEND ALTERNATIVE SITE FOR MILITARY FACILITY 50-80 KM FURTHER WEST OF ORIGINAL PROPOSED LOCATION.

NEW SITE WOULD ALSO BE ADJACENT ABU DHABI/AL-AINTNOAD.

6. REQUEST USDOC AND OTHER ADDRESSEES DISSEMINATE INFO ABOVE, ESPECIALLY PARA 4, TO QUALIFIED AIRPORT CONSTRUCTION AND EQUIPMENT FIRMS.  
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